

HONIGMAN

Honigman Miller Schwartz and Cohn LLP
Attorneys and Counselors

Philip J. Kessler

(313) 465-7630
Fax: (313) 465-7631
pkessler@honigman.com

January 13, 2016

Honorable Katherine B. Forrest
United States District Court
Southern District of New York
500 Pearl Street, Room 730
New York, NY 10007

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: JAN 18 2016

Re: Eastern Continental Mining and Development, Ltd., vs. Signet Group, LLC, et al; Case No. 13 Civ. 1930 (KBF)

Dear Judge Forrest,

I am writing as counsel for Signet Group, LLC ("Signet") in the referenced litigation. David Gordon, counsel for Eastern Continental Mining and Development, Ltd ("Eastco") has concurred in my doing so.

This is written to advise you of a recent development that could directly affect whether the counterclaim trial will ever take place and, if so, whether it could take place on the current schedule.

Signet was recently informed that Eastco is undergoing a "liquidation" proceeding in England. A copy of the Notice that Signet and I each received is attached for the Court's convenience. As the notice reflects, this proceeding was evidently commenced by the directors of Eastco.

David Gordon and I have conferred about this development. At this juncture, neither of us understands adequately the implications of the liquidation proceedings and their potential effect on the counterclaim trial and/or on Signet's ability to collect on a counterclaim judgment, if one is entered against Eastco. Nor do we know whether a stay would prevent the counterclaim trial, or any action preceding the trial.

The Court may recall that the current schedule requires the filing of the parties' Joint Final Pre-Trial Statement on the 22nd of this month and the Final Pre-Trial conference to be held on the 27th. These dates were set before the trial was pushed back to March 8, 10-11.

Mr. Gordon and I have also recently discussed exploring the possibility of a settlement of the counterclaim. While this is only a possibility at this point, whether or not it makes sense to explore settlement will significantly depend on the effect of the liquidation on the implementation of a settlement, assuming that mutually satisfactory terms can be reached.

HONIGMAN

Honorable Katherine B. Forrest
January 13, 2016
Page 2

For all of these reasons, we jointly recommend pushing back the dates for filing the Joint Final Pre-Trial Statement and for holding the Final Pre-Trial Conference approximately 30 days. We would hope to be able to obtain clarity on the issues arising from the liquidation during that 30 day period.

We will keep the Court informed regarding what we learn and, if relevant, the results of any settlement effort.

We would appreciate the Court's cooperation in light of this turn of events.

Sincerely,

HONIGMAN MILLER SCHWARTZ AND COHN LLP

/s/ Philip J. Kessler

Philip J. Kessler

Attorney for Defendant

660 Woodward Avenue, Ste. 2290

Detroit, MI 48226-3506

(313) 465-7000

pkessler@honigman.com

cc: David B. Gordon, Esq.
Andy Oh, Esq.

Ordered
The following amended schedule shall
govern: JPTO now due 2/26/16;
Final pre-trial conference now on 3/2 at
1pm; bench trial shall proceed on
3/8/16 at 9am.
K.B. Tamm
USDJ 1/18/16

2290 First National Building • 660 Woodward Avenue • Detroit, Michigan 48226-3506

Detroit • Ann Arbor • Bloomfield Hills • Chicago • Kalamazoo • Lansing